

HEALTH INSURANCE – CONFORMITY WITH FEDERAL LAW ADMINISTRATION BILL – HB170/SB183

OVERVIEW

The Affordable Care Act protects millions of Marylanders who have private health insurance coverage by making important changes to the rules insurance companies must follow. When fully implemented, for example, these changes will block insurers from barring children and adults from coverage because they have pre-existing conditions; require insurers to let patients choose their own primary care doctors from their panel of physicians; forbid insurers from imposing arbitrary limits on benefits; and increase the age for young adults to join their parents' coverage to 26. This bill aligns the State's laws with these and other measures in the Affordable Care Act so that the Maryland Insurance Commissioner can enforce these protections.

THE BILL

The bill authorizes the Insurance Commissioner to enforce the following consumer protections:

No pre-existing condition exclusions: By 2014, no insurance company will be able to refuse coverage or charge a higher premium because of an individual's pre-existing condition. The provision prohibiting companies from denying coverage to sick children is in effect now.

Protecting people from losing their insurance: The Affordable Care Act makes it much harder for insurance companies to drop patients, prohibiting cancellations except in cases of outright fraud or intentional misrepresentation.

Fewer restrictions on benefits: People suffering from ongoing, expensive medical conditions have seen their benefits totally vanish when the costs of their treatment hit lifetime limits. Insurance companies are now barred from imposing lifetime benefit caps. In addition, the use of annual benefit limits will be gradually phased out and almost completely prohibited by 2014.

Helping people stay healthier and covering young adults: Insurance companies will now be required to cover certain preventive and wellness services like mammograms, prenatal care, and flu shots. Young adults may also stay on their parents' policies until they turn 26.

Allowing people more choice in selecting doctors: People value being able to choose their own doctors. The Affordable Care Act requires that people be allowed to select their primary care doctors and pediatricians from their health plan's network instead of being assigned a provider. Women will also be able to see an OB-GYN without referrals, and no one will be forced to seek prior approval for emergency care at a hospital outside their plan's network.

Making more of our premium dollars pay for actual health care: Insurance companies will now be required to spend at least 80% of premiums on direct medical services or efforts to improve the quality of care, thereby limiting spending on overhead expenses like salaries and bonuses.

Helping small businesses qualify for insurance: The bill also helps small employers meet employee participation requirements for obtaining health coverage by not counting young employees already covered through their parents' insurance as part of the pool of workers eligible for coverage.